The Corporation of the City of Brampton, Ontario, Canada

Annual Report 2000

2008-04698

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This report was prepared by:
The Corporation of the City of Brampton
Finance Department and Economic Development & Public Relations Department

Good government is compelled to engage its community in planning the programs, services and facilities it delivers. Capturing the enthusiasm, experience and good common sense of a community's citizens is a fundamental obligation of City Council in Brampton. It is a practice that builds citizen commitment and cements civic pride. Good citizens participate in their community and when good citizens work together with good government, good cities become great. Each year Brampton is becoming a greater City.

Susan Fennell
Mayor

CITY OF BRAMPTON COUNCIL, 2003-2006

Back Row (left to right): John Hutton, City Councillor Wards 2 & 6, John Sprovieri, Regional Councillor Wards 9 & 10, Garnett Manning, City Councillor Wards 9 & 10, Paul Palleschi, Regional Councillor Wards 2 & 6, Grant Gibson, City Councillor Wards 1 & 5, Bob Callahan, City Councillor Wards 3 & 4

Front Row (left to right): Susan DiMarco, Regional Councillor Wards 3 & 4, Elaine Moore, Regional Councillor Wards 1 & 5, Mayor Susan Fennell, Gael Miles, Regional Councillor Wards 7 & 8, Sandra Hames, City Councillor Wards 7 & 8

Excellence in local government is about more than delivering programs and services efficiently; it is essentially the practice of creating opportunities for people to achieve greater things within their community ... together. Through quality decision-making and on the strength of collective community building, local government must strive to reflect the aspirations of its citizens in the programs, services and facilities it delivers and must convey a compelling impression of their community to others.

Lorne V. McCool
City Manager

Brampton's Gateway on Hurontario Street

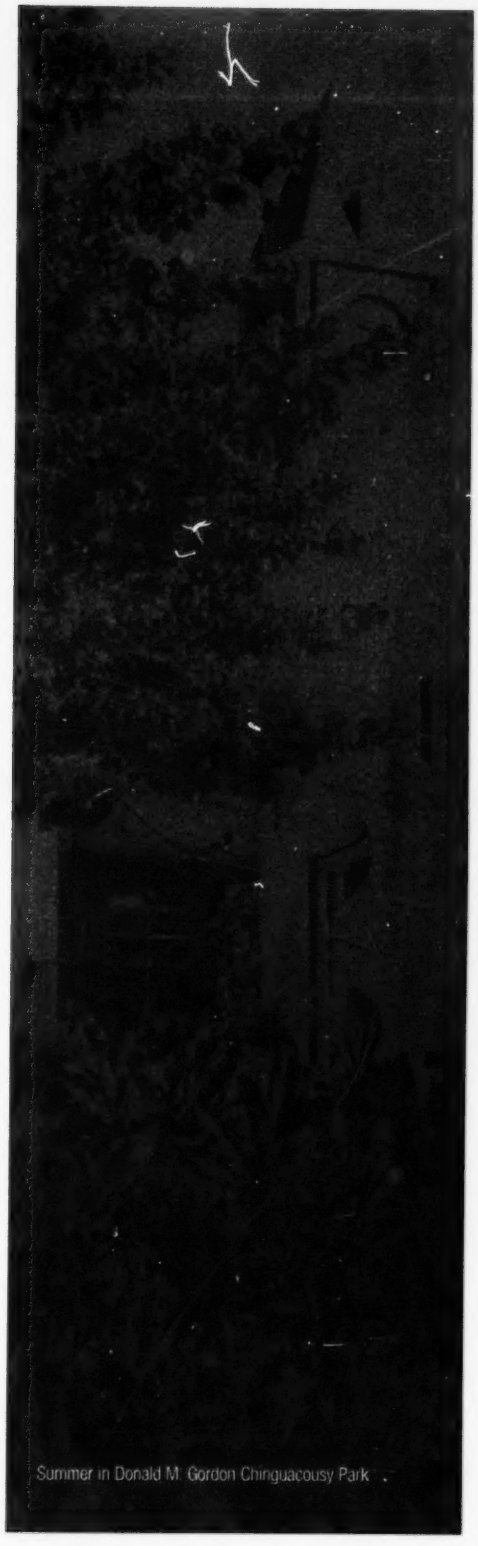
BRAMPTON

As each municipal council responds to the needs and ambitions of its constituents, translating them into a vision for the community they serve, municipal administrators face the challenge of developing this vision into the services and facilities that will frame the community's ultimate potential. This potential is the foundation upon which a community's 'sense of place' is built; the distinctive neighbourhoods and workplaces, a vibrant downtown core, appealing and safe open spaces, and the vital cultural and recreational amenities which define the character of a community.

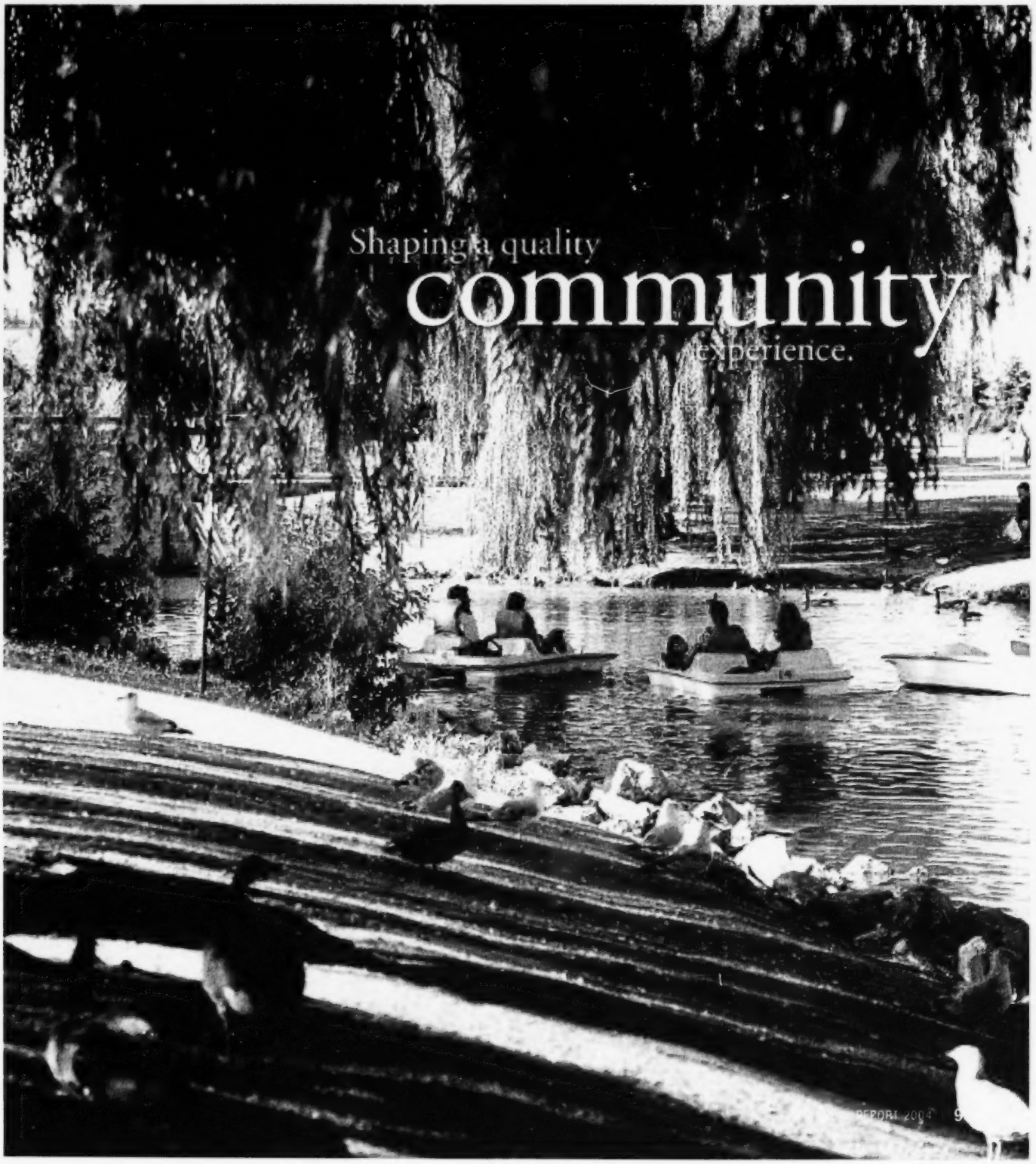
Winter skating in Gage Park

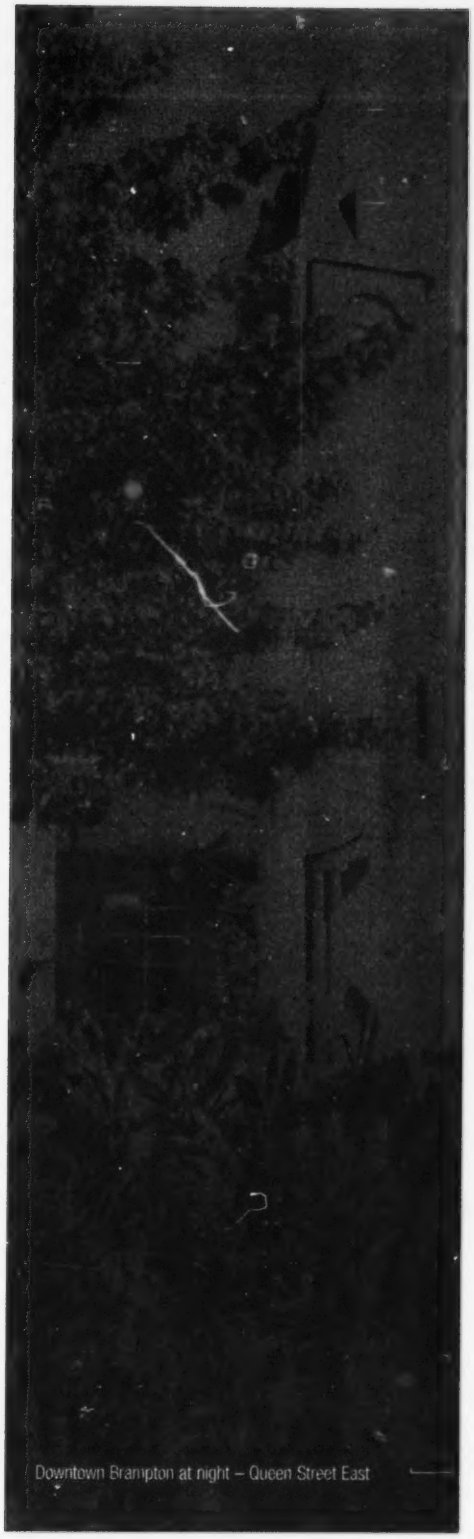
Creating distinctive
places.

Brampton's quality of life is reflected in the opportunities citizens have to engage in a variety of leisure activities within attractive spaces and facilities. The Community Services Department plans and provides a variety of programs, services and facilities achieving the highest standards in delivering a memorable community experience for citizens, visitors and businesses alike. At the same time, citizens expect their City to act positively in making a contribution to a safer community. Brampton's sense of well-being is reflected in the confidence that lives and property are protected by one of North America's finest Fire and Emergency Services.



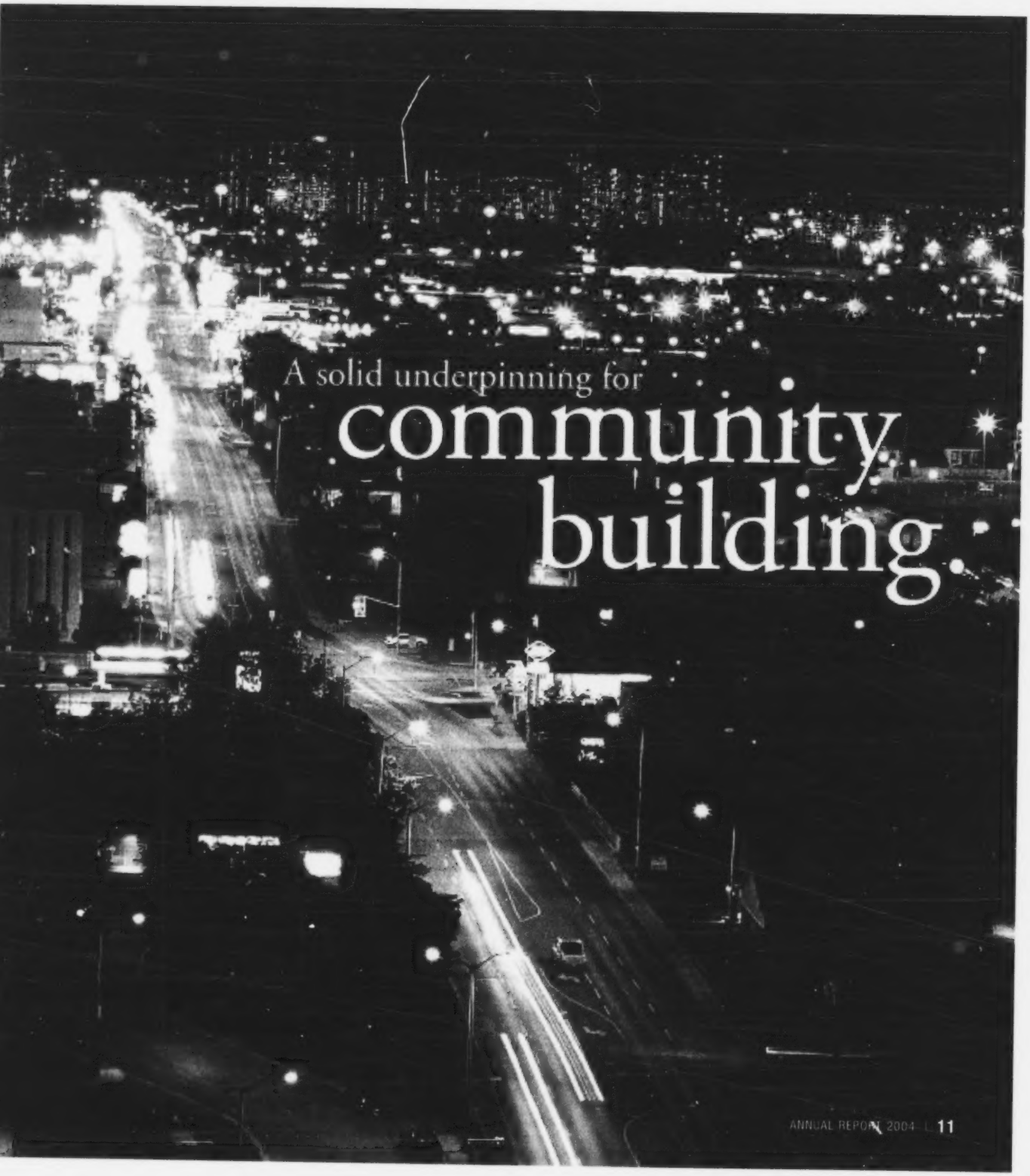
Summer in Donald M. Gordon Chinguacousy Park


Shaping a quality
community
experience.



Downtown Brampton at night – Queen Street East

Works and Transportation provides efficient road networks, responsive public transit and effective infrastructure maintenance—the goal is to deliver civic transportation and infrastructure while taking account of changing priorities as the community evolves, balancing the needs of today with Brampton's future requirements. The need for effective and efficient infrastructure and transportation services represent the challenges and positive opportunities for building a solid foundation for the City.

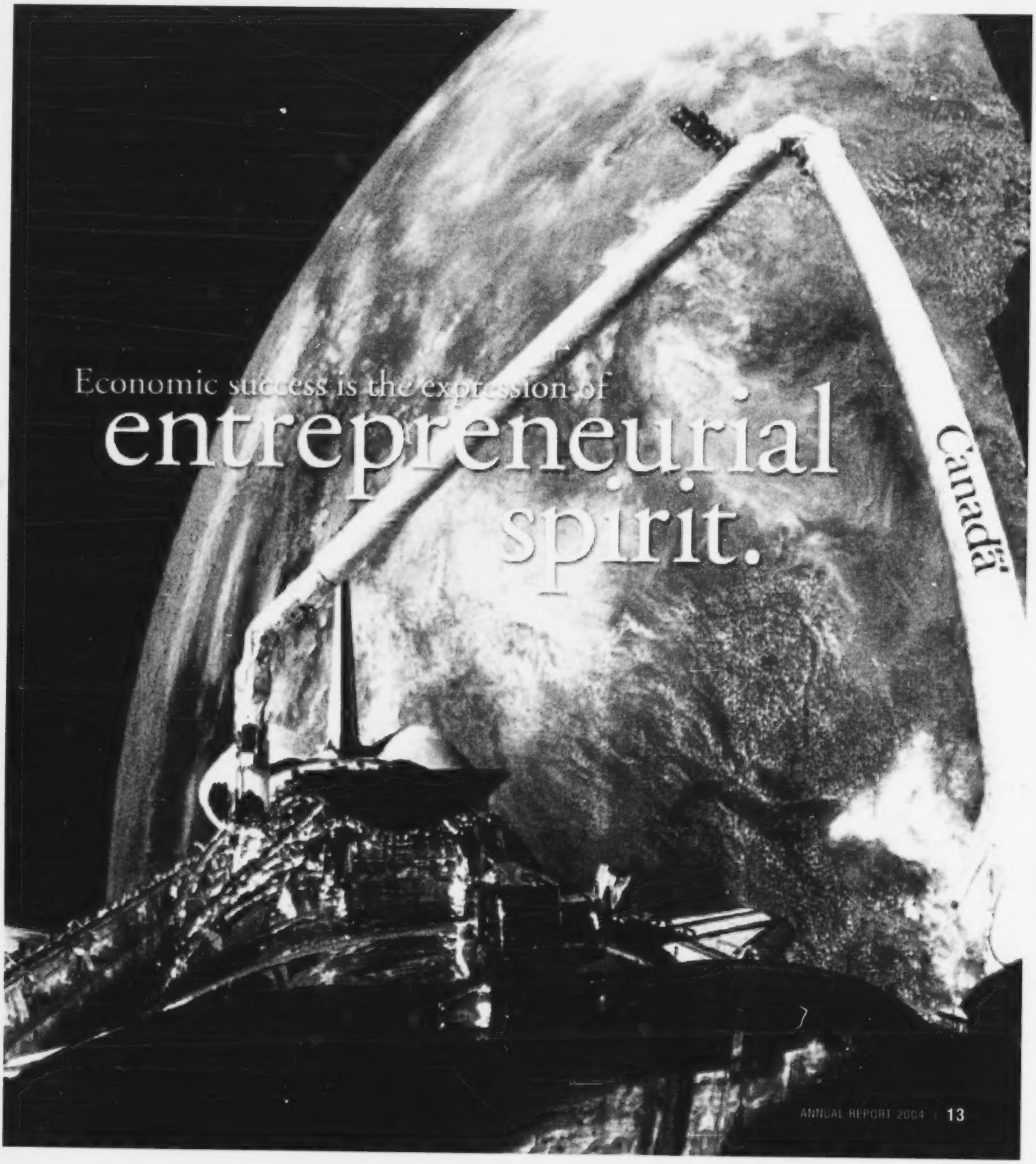


A solid underpinning for

community building

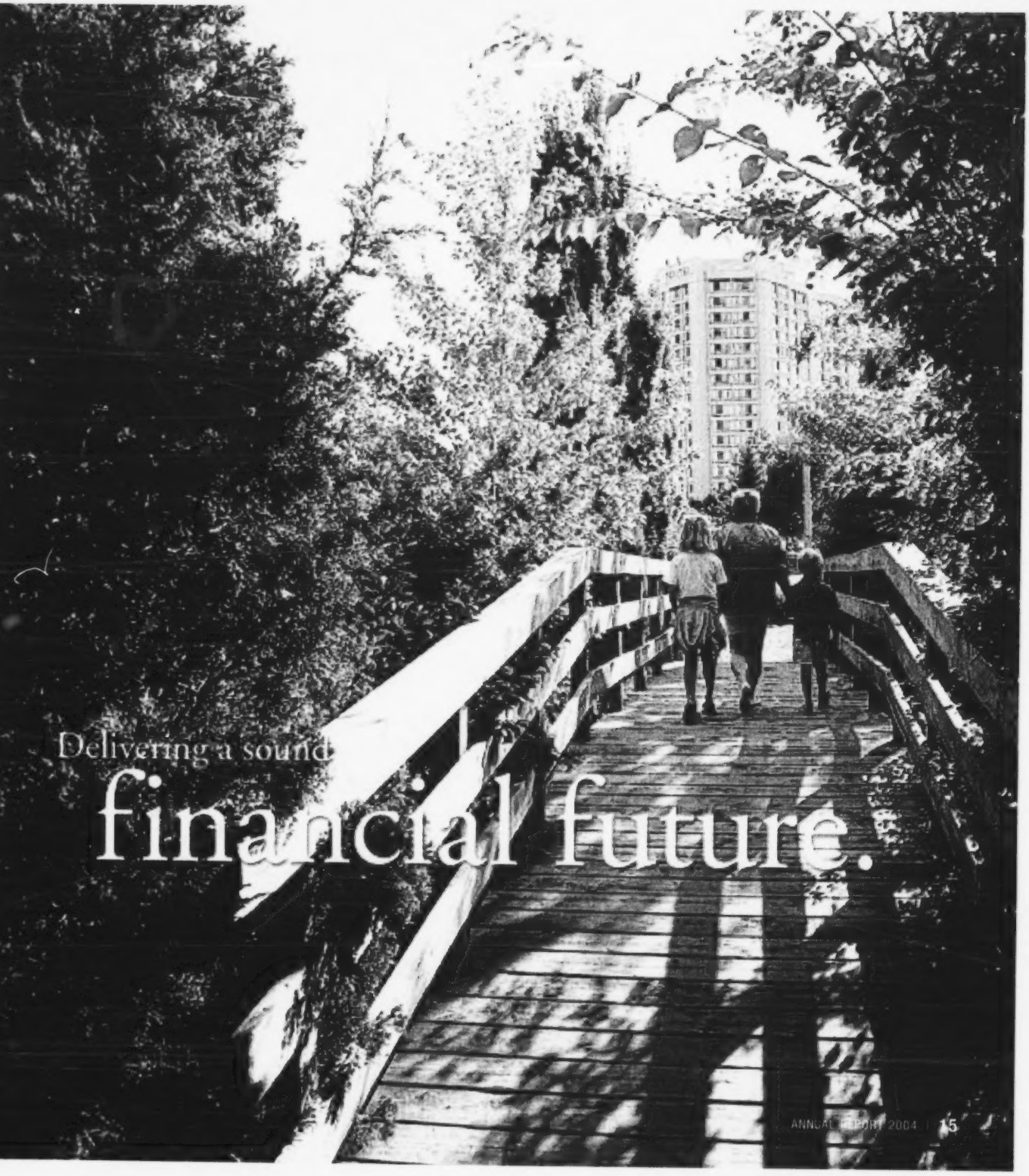
The economic success of a community is the expression of the entrepreneurial spirit and vitality of the citizens who live and work within it. Local government's role is equally to encourage new economic development while at the same time provide the opportunity for existing business to grow and flourish. In support of these community goals, municipalities must promote local job growth through excellence in administration and by sharing their community's advantages across key investment sectors.

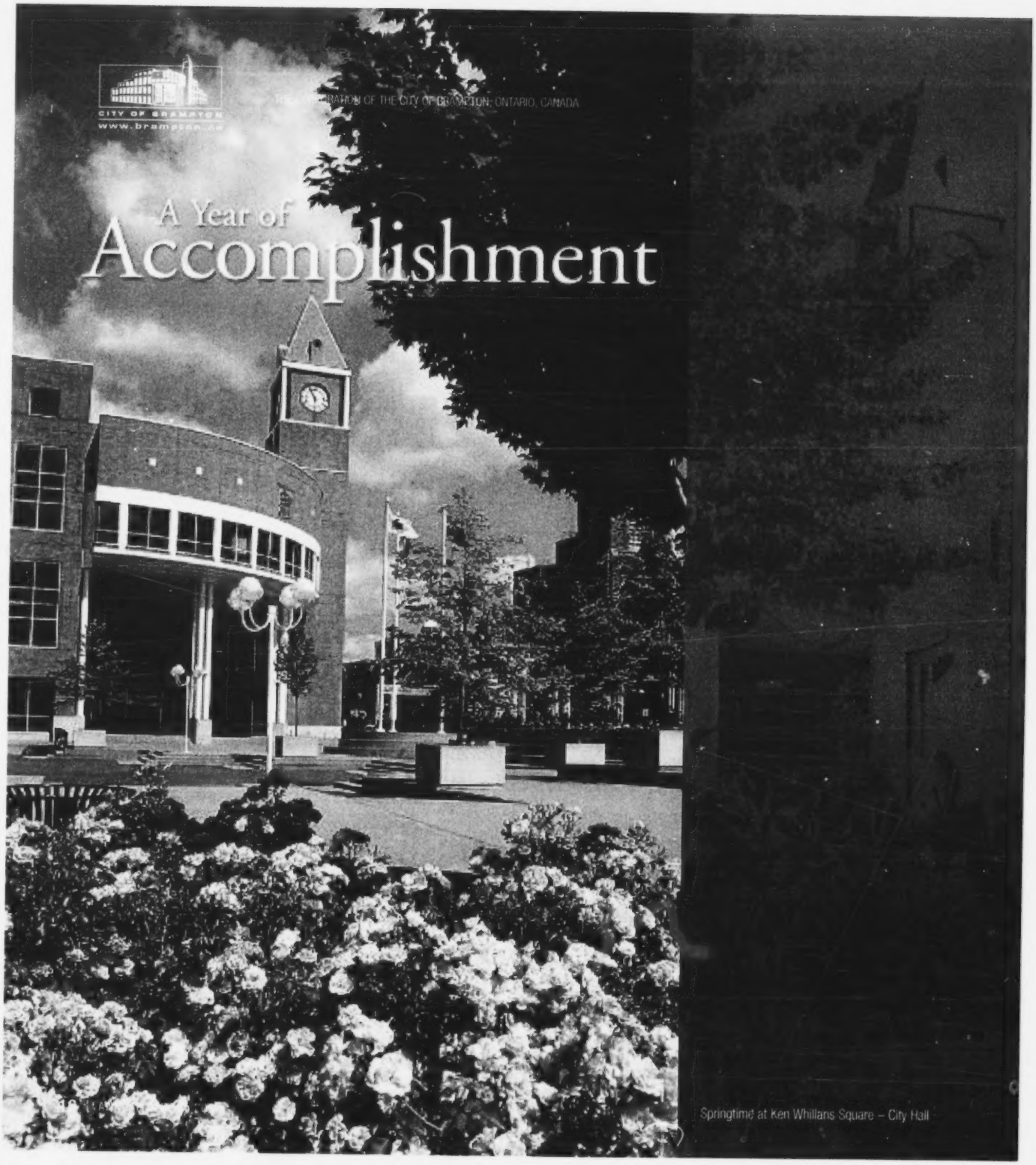
Canadarm manufactured by MDA in Brampton


Economic success is the expression of
entrepreneurial
spirit.
Canada

Citizens expect their City to responsibly manage their public assets and prudently guide their Corporation's financial future. The Finance Department has a responsibility to develop and maintain the City's financial systems, establish corporate policies, foster best practices and lay the foundation for a sound financial future for the community. The highest standard of financial services, information and leadership are achieved by providing accurate and timely financial reporting and thorough financial controls. Excellent customer service and financial leadership are hallmarks of the City's Finance Department.

Footbridge on Brampton's extensive trail system


Delivering a sound
financial future.


CITY OF BRAMPTON
www.brampton.ca
A Year of
Accomplishment
Springtime at Ken Whillans Square – City Hall

A Year of Accomplishment

Reflecting Brampton's proud floral heritage

Brampton's plan to expand upon its flower town tradition is expressed in the citywide beautification program. In 2004 Brampton won the coveted Communities In Bloom "National Capital Commission Floral Display Award" and continued to create beautiful new and expanded gardens throughout the City—most particularly at key gateways to the community. Brampton's Flower City Strategy remains one of the City's most appreciated and well-supported initiatives as private citizens, community groups and businesses join together to champion Brampton's proud floral heritage.

Partnering for success in advanced manufacturing and design

In 2003, City Council committed $2.5 million over five years to the new Sheridan Centre of Advanced Manufacturing and Design Technologies—2004 saw the first payment of $500,000 made toward the construction of the new centre scheduled to open in the fall of 2005. The Sheridan Centre will serve as a key component of Brampton's economic development infrastructure and supports Council's strategic economic development objective to attract knowledge-based industries including information technology, life sciences, advanced manufacturing and bio-technology to Brampton.

Planning an efficient transportation and transit network

Final approval of the City's innovative Transportation and Transit Master Plan was achieved in 2004 after significant public and stakeholder consultation. This Plan provides Council with a strategic 30-year road network and transit plan to accommodate growth over this period. The Acceleride Bus Rapid Transit System (connecting the City to the GTA bus rapid transit system along Queen Street and Main Street South) was significantly advanced through initial design and construction of transit stops and signal prioritization measures in conjunction with the Queen Street improvement project.

Delivering effective public transit

In 2004 Brampton took bold steps to restructure its transit route system. In a wholesale revamping of the existing network, Brampton Transit approved a more efficient, rider-friendly grid system affecting virtually every route in the City to be implemented in 2005. Ridership in 2004 increased by 8%, forty-four new transit positions were hired and the City took delivery of 35 new buses, the largest single bus purchase in Brampton Transit history, permitting the City to successfully meet continuing public transit demands resulting from growth.

Modern justice in an old world style

Brampton's new Provincial Offences Court opened on Hurontario Street at Highway 407; a southern gateway to the City. A unique and architecturally impressive building, the new Courthouse is the most technologically modern of its type in Ontario.

Delivering meaningful recreational choices

In 2004, Brampton initiated an action-oriented Parks, Recreation and Culture Master Plan; a program designed to seek comprehensive public input into the creation of a parks, program and facility development strategy for the community over the next decade. In addition, an ambitious plan was launched to reconstruct 33 playgrounds and 36 asphalt pathways in a total of 53 parks across the City while construction began on 23 new sports fields and four major sports field renovations - the most aggressive delivery of new and renovated outdoor facilities in the City's history.

Managing our citizen's tax dollars wisely

Brampton maintained its debt-free position in 2004, one of very few large urban municipalities to do so. Results from a 2004 independent municipal cost competitiveness survey of 66 Ontario municipalities confirmed Brampton continued to perform at a level above the average, with a higher than average proportion of industrial-commercial assessment, tax ratios and rates among lowest surveyed across all property classes, one of the highest levels of reserves as a percentage of total expenditures and with property taxes, as a per cent of income, among the lowest surveyed in the province.

The City of Brampton's Purchasing & Materials Management Division was awarded the National Institute of Governmental Purchasing's (NIGP) Outstanding Agency Accreditation Achievement Award for maintaining the highest standards of quality and efficiency in government purchasing. Brampton is only the second Canadian winner in the Award's history. The Finance Department was awarded the Government Finance Officers Association—Canadian Award for Financial Reporting (CAnFR) for the third consecutive year. The CAnFR Award recognizes excellence in financial reporting. The City's Finance Department continued with its successful active investment management strategy that has increased revenue over previous investment practices by more than $30 million.

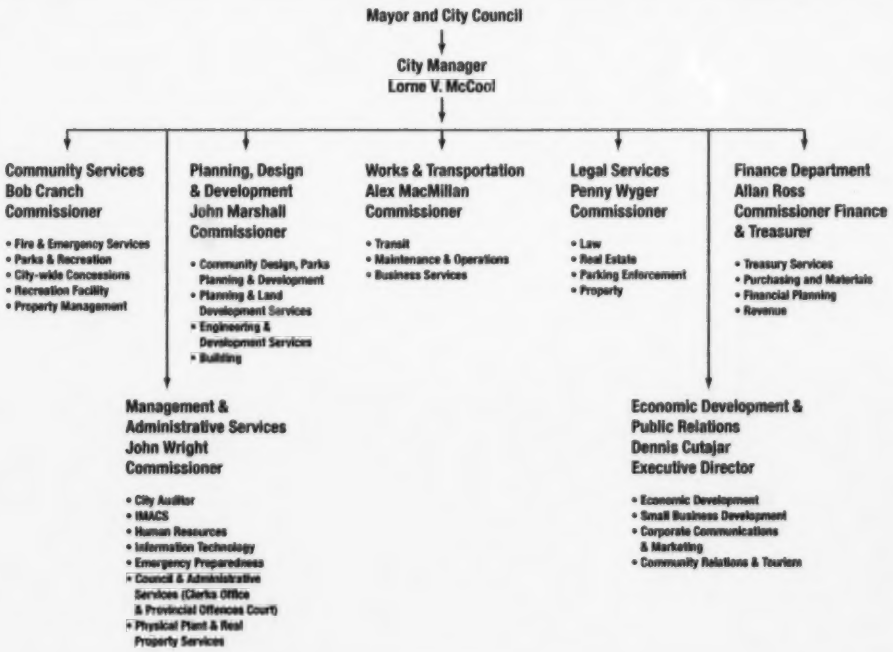
Reflecting a tradition of art and culture

The long awaited construction of Brampton's new Performing Arts Centre began early in 2004; the development of this exceptional facility in the downtown will offer the residents of Brampton an unparalleled entertainment experience in the heart of the City. An architectural masterpiece centered on a 450 square metre stage, the Performing Arts Centre will contain state-of-the-art technology and broadcasting capabilities, an 850 seat main hall, 200-seat multi-purpose secondary hall and a vibrant outdoor civic square. The Performing Arts Centre will be the focal point for the many unique festivals, innovative local and national artists and diverse cultural and professional entertainment that annually comes to Brampton.

Driving the local economy forward

In 2004, Brampton's burgeoning economy raised the community to national prominence as the City ranked second in Canada in total construction value–over $2.7 billion, and first, nationally, in total residential construction with slightly over $2 billion in residential building permits. Brampton's success in creating a strong and enduring local economic foundation has allowed the City to compete effectively with Vancouver, Calgary, Montreal and Ottawa and others among the nations' top 10 cities. In 2004, job creation topped 1,800 new employment opportunities with a total of 227 businesses choosing Brampton as their home.

CITY OF BRAMPTON CORPORATE ORGANIZATIONAL CHART



MESSAGE FROM THE COMMISSIONER OF FINANCE AND TREASURER
Allan Ross

I am pleased to present the Financial Report for the City of Brampton for the 2004 fiscal year. This report provides taxpayers, residents, investors and other interested parties with an overview of the City's finances.

In 2004, The City completed a new development charges study that led to the adoption and implementation of new Development Charges By-Laws. These new By-Laws have been approved, but have been appealed to the Ontario Municipal Board. As at April 30, 2005, the appeal has not been resolved.

The new Development Charge By-Laws take into account the tremendous growth rate that Brampton continues to experience since the previous Development Charge By-Law was passed by Council in 1999. The increased rate of growth has put pressure on the City to provide infrastructure and services such as roads and fire protection services earlier than planned. The financial implications of building and operating this infrastructure are significant, and the new By-laws go some ways to addressing the issue. They cannot, however, address the impact of changes resulting from the Province of Ontario Development Charges Act passed in 1997. Due to the restrictions of this Act, a number of services, including parkland acquisition, information technology and administrative space required to service the rapid growth in the community, are no longer fundable through development charges. In addition, the majority of City services charges must be discounted to 90% of identified growth related costs. This necessitates further tax-based funding for these growth related costs.

Budget Process

Preparation of the City's budget revolves around priority setting, reflecting the City's Strategic Plan and objectives. Priority setting takes place at all levels of the organization including at the functional level by departmental staff, by Senior Management and by City Council. Throughout the process, public input is taken into account, as expressed both through public opinion surveys and through public participation in regular and special open meetings.

The initial stages in the process involve:

1. Review of the current year's actual and projected financial performance and operating results,
2. Determination of priorities for maintaining and improving service levels and accommodating rapid growth. These priorities are set out in the City's Service Plan which is linked to the Six Pillars of the City's 2003 Strategic Plan and translates key departmental initiatives into specific action plans and funding requirements
3. Review of the City's longer term financial outlook, with a three year operating budget projection and a 10 year forecast of capital project needs, and
4. Identification of factors impacting the budget, such as inflation and legislative requirements, that are beyond the control of City decision-makers

Separate Capital and Current budgets are prepared in parallel but closely linked in recognition of the impact that each of these budgets has on the other. For the 2005 budget, the capacity to fund and deliver the enormous quantity of new capital infrastructure

required to accommodate growth has required and received special attention in the budget process.

Budget submissions are consolidated and supported by analysis of budget drivers and justification of all proposed new initiatives. Senior Management then determines a recommended set of priorities for allocation of available resources. These proposed budgets and priorities are considered by Council in open public meetings, appropriate amendments are made and budget approval is obtained.

Financial Statements

The accompanying consolidated financial statements and all other information included in this financial report are the responsibility of the management of the City of Brampton. The City's Financial Statements contained in this report have been prepared in accordance with the accounting principals and disclosure requirements of the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

External Audit

Included in the Financial Statements is a report prepared by our statutorily appointed auditors, KPMG LLP, Chartered Accountants. The role of the statutory auditor is to present an independent opinion on the fair presentation of the City's financial position and operating results as contained in the Financial Report and confirm that the statements are free from material misstatements. The auditors are also responsible for advising management and City Council of any control or operational issues that may be identified during their audit.

Financial Highlights

The 2004 financial statements of the City of Brampton have been completed on a fund basis. Three fund types make up the City's financial statements: Operating Fund, Capital Fund and Reserve funds. The results of these funds have been consolidated to report the overall financial position and financial activities of the City. The following is a financial summary for each fund type.

Current Fund

Revenues of $246.5 Million reported in 2004 exceeded the budget by $15.3 Million or 6.59%. Revenues in 2004 were higher than 2003 by $26.3 Million largely due to the combined impact of City growth and increased tax rates.

Current year operating expenditures of $205.9 Million in 2004 were lower than the budgeted amount by $18.3 Million or 8.18%. The current year operating expenditures were $20 Million higher than 2003 due to the continued high growth rate in Brampton and targeted service level increases as directed by City Council.

Transfers to the Capital Fund, Reserves, and Reserve Funds amounted to $42.2 Million in 2004 resulting in a net surplus of $574,322. As required by statute, this surplus will be used to reduce the tax levy for the 2005 fiscal year.

Capital Fund

Capital expenditures of $106.7 Million reported in 2004 were $30.3 Million higher than the capital expenditures reported in 2003. Major capital projects included road improvements and major road repairs, parkland acquisition and development,

purchase of thirty-five new buses as well as significant progress in the construction of the City's new Performing Arts Centre in the heart of downtown Brampton.

Capital projects were primarily financed by tax base funded revenues and developer contributions. In compliance with City Council's direction of no external debt financing, non-growth related capital works are financed on a "pay-as-you-go" basis.

Reserve Funds

The City of Brampton has established a number of reserve funds to fund long-term liabilities, eliminate/minimize tax rate fluctuations, smooth expenditures and fund capital projects.

As at December 31, 2004, the City of Brampton's Reserves and Reserve Fund Balances totalled $272.4 Million as compared to $286.6 Million in 2003. The decrease of $14.2 Million from 2003 to 2004 was primarily due to Council approved internal loans to finance selected acquisitions or capital projects. These loans are repayable in full and include interest at rates that would otherwise have been earned by the Reserve Funds.

Included on the City's Statement of Financial Position are deferred revenues from development charges and other contributions from developers for future necessary growth related capital works. These deferred revenues totalled $197 Million as at December 31, 2004 as compared to $158.1 Million in 2003, a net increase of $38.9 Million. Total contributions received from developers in 2004 amounted to $110.1 Million versus $67 Million in 2003. Contributions from developers are recognized as revenue and transferred to the Capital Fund when growth related capital projects are initiated. Developers contributions recognized as revenue in 2004 amounted to $71.3 Million as compared to $62 Million in 2003; this reflects an increase in growth related capital spending necessary due to the continued high rate of growth being experienced in the community.

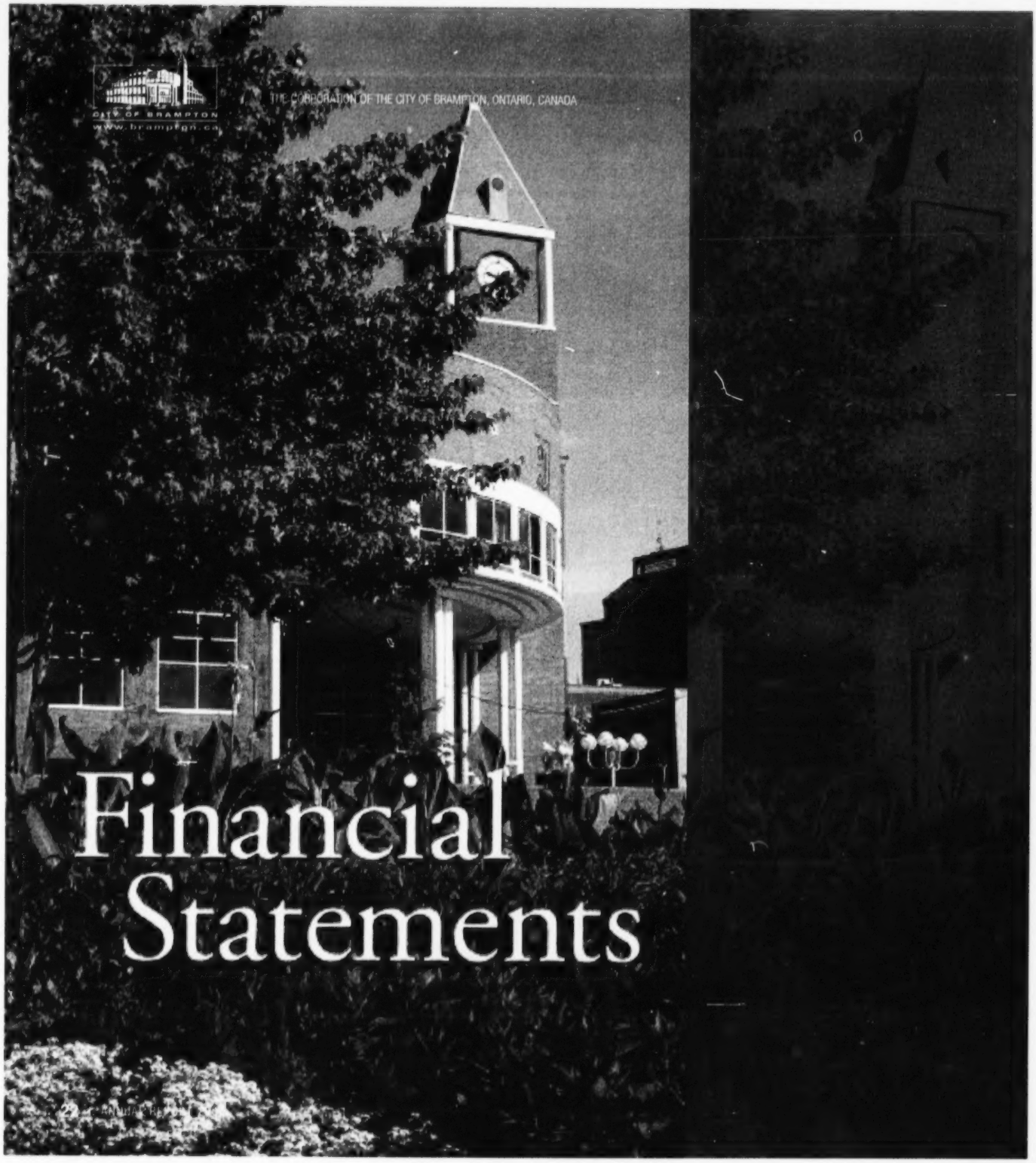
Transfers from Reserves and Reserve Funds are required on an annual basis to fund portions of the City's operating costs and capital expenditure program. In addition, some of these transfers are directed towards insurance claims, sick leave payouts and other city related costs.

The City of Brampton has healthy reserve balances, notably improved over a number of years ago. Staff continues to review reserve balances on a multi-year basis based on all known requirements in order to ensure the City is well positioned to meet future challenges and opportunities.

Final Comments

During 2004, for the 3rd year, the Government Finance Officers Association of the United States and Canada formally recognized the City's excellence in financial reporting with the awarding of a "Canadian Award For Financial Reporting" for the City's 2003 Annual Report.

The leadership of City Council and continuing efforts of staff have contributed to the accomplishments noted in this annual report and to the City's sound financial position. I trust the financial statements provided in this annual report will provide further explanation to the City's financial performance.



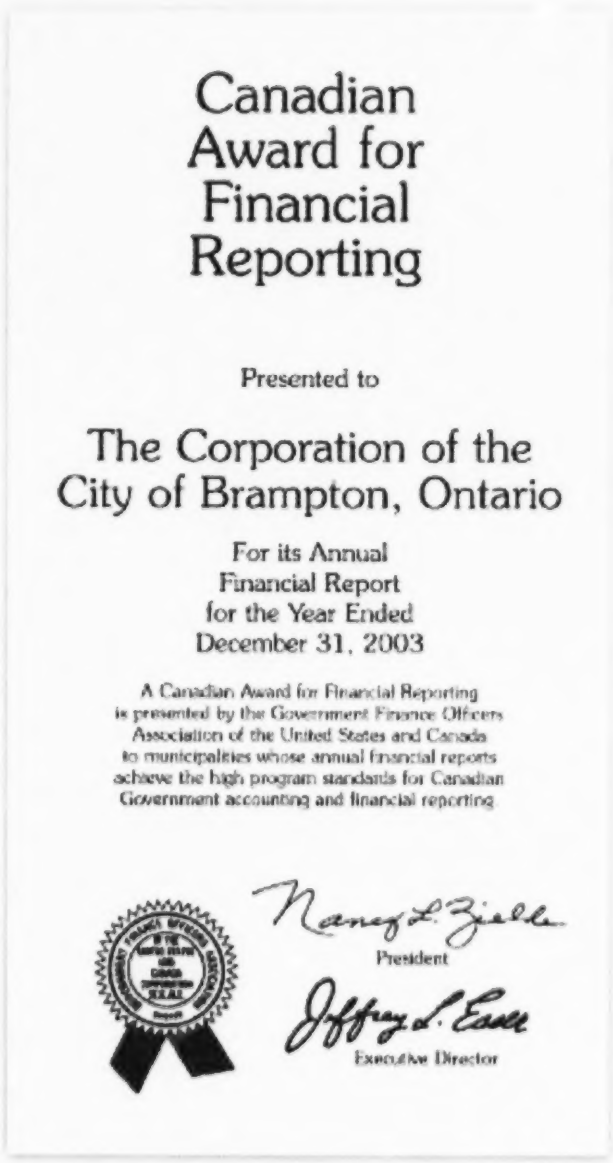
Financial Statements

AWARD

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Canadian Award for Financial Reporting (CAnFR) to the Finance Department at The Corporation of the City of Brampton for its annual financial report for the fiscal year ended December 31, 2003. The Canadian Award for Financial Reporting Program was established to encourage municipal governments throughout Canada to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

In order to be awarded a Canadian Award for Financial Reporting, a government unit must publish an easily readable and efficiently organized annual financial report, whose contents conform to the program standards. Such reports should be in conformity with the Public Sector Accounting Board (PSAB) Standards as issued by The Canadian Institute of Chartered Accountants (CICA). The financial report should clearly communicate the municipal government's financial picture; enhance an understanding of financial reporting by municipal governments, and address users needs.

The Canadian Award for Financial Reporting recognizes excellence in governmental accounting and financial reporting and represents a significant accomplishment by a municipal government and its management.



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AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers
of the Corporation of the City of Brampton

We have audited the consolidated statement of financial position of the Corporation of the City of Brampton as at December 31, 2004 and the consolidated statements of financial activities and changes in financial position for the year then ended. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation of the City of Brampton as at December 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The current year's supplementary information included in the schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

KPMG LLP

Chartered Accountants

Toronto, Canada
April 1, 2005

KPMG LLP, a Canadian limited liability partnership is the Canadian member firm of KPMG International, a Swiss cooperative.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at December 31, 2004

	2004 $	2003 $
ASSETS		
Financial Assets		
Cash and short-term investments (Note 2)	280,731,931	202,177,029
Taxes receivable	60,810,779	43,025,077
User charges receivable	5,546,907	3,916,332
Accounts receivable	15,291,096	14,947,207
Long-term investments (Note 2)	399,015,090	390,186,160
Other Assets (Note 11)	7,984,110	7,984,110
Total Financial Assets	**769,379,913**	**662,235,915**
LIABILITIES		
Accounts payable and accrued liabilities	65,557,676	33,613,087
Deferred revenue - general (Note 4 (a))	1,968,149	1,686,878
Deferred revenue - obligatory reserve funds (Note 4 (b))	196,964,895	158,111,591
Employee benefits and other liabilities (Note 5)	15,652,105	13,793,288
Total Liabilities	**280,142,825**	**207,204,844**
Net Financial Resources	**489,237,088**	**455,031,071**
Other Non-Financial Assets		
Inventory and prepaids	2,943,864	2,769,990
TOTAL NET ASSETS	**492,180,952**	**457,801,061**
MUNICIPAL POSITION		
Amounts to be recovered		
From reserves and reserve funds on hand	(8,017,684)	(6,801,887)
From future revenues	(7,634,421)	(6,991,401)
Total Amounts to be recovered	**(15,652,105)**	**(13,793,288)**
Fund Balances (Note 7)		
Current fund	574,322	344,827
Capital fund	234,902,069	184,629,010
Reserves	2,118,676	1,847,100
Reserve funds	270,237,990	284,773,412
Total Fund Balances	**507,833,057**	**471,594,349**
TOTAL MUNICIPAL POSITION	**492,180,952**	**457,801,061**

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
for the year ended December 31, 2004

	Budget 2004 $ (unaudited) (Note 1(n))	Actual 2004 $	Actual 2003 $
REVENUES			
Property taxation (Note 3)	149,627,422	154,368,978	135,113,320
Taxation from other governments	949,000	1,488,556	907,209
User charges	61,333,708	70,850,665	64,739,765
Government grants	3,298,946	5,974,796	2,789,044
Development levies	53,280,445	71,260,177	62,048,511
Investment income - Current and Capital Funds	5,157,000	5,887,817	5,847,622
Investment income - Reserve and Reserve Funds	13,512,000	23,616,153	24,006,341
Penalties, Fines and Interest	12,988,368	12,428,773	12,647,852
Other	667,861	1,115,648	869,413
Total Revenues	**300,814,750**	**346,991,563**	**308,969,077**
EXPENDITURES			
Current			
General government	19,863,488	8,246,608	7,875,898
Protection to persons and property	47,917,146	46,375,329	41,055,844
Transportation services	66,650,886	63,000,261	57,202,160
Environmental services	1,700,652	1,700,652	1,918,106
Health services (cemeteries)	451,568	451,568	387,298
Social and family services	373,546	295,519	285,182
Recreation and cultural services	65,149,227	64,023,371	57,776,125
Planning and development	22,159,818	22,008,945	19,113,673
Total Current Expenditures	**224,266,331**	**206,102,253**	**185,614,286**
Capital			
General government	14,512,803	11,838,172	9,814,194
Protection to persons and property	3,801,414	10,789,066	6,892,678
Transportation services	39,743,191	42,005,651	33,851,318
Environmental services	–	176,490	–
Health Services (cemeteries)	–	62,470	33,118
Recreation and cultural services	23,380,876	41,518,080	25,300,156
Planning and development	308,725	293,364	456,520
Total Capital Expenditures	**81,747,009**	**106,683,293**	**76,347,984**
Total Expenditures	**306,013,340**	**312,785,546**	**261,962,270**
Increase in Net Financial Resources		**34,206,017**	**47,006,807**
Increase in amounts to be recovered		1,858,817	392,677
Increase (decrease) in non-financial assets		173,874	(357,739)
Increase in Fund Balances		**36,238,708**	**47,041,745**

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION
for the year ended December 31, 2004

	2004 $	2003 $
OPERATIONS		
Increase in Net Financial Assets	**34,206,017**	**47,006,807**
Uses:		
Increase in taxes receivable	(17,785,702)	(1,278,605)
Increase in user charges receivable	(1,630,575)	(54,996)
Increase in accounts receivable	(343,889)	–
Decrease in accounts payable and accrued liabilities	–	(3,960,205)
Decrease in accrued interest-long term liabilities	–	(12,707)
Total Uses	**(19,760,166)**	**(5,306,513)**
Sources:		
Decrease in accounts receivable	–	13,248,856
Decrease in other assets	–	652,179
Increase in accounts payable and accrued liabilities	31,944,589	–
Increase in deferred revenue - general	281,271	45,384
Increase in deferred revenue - obligatory reserve fund	38,853,304	4,939,000
Increase in employee benefits and other liabilities	1,858,817	767,982
Total Sources	**72,937,981**	**19,653,401**
FINANCING		
Long term debt repaid	–	(362,599)
Net change in cash from financing	**–**	**(362,599)**
INVESTMENTS		
Increase in long-term investments	(8,828,930)	(17,628,954)
Net change in cash and cash equivalents	78,554,902	43,362,142
Opening cash and cash equivalents	202,177,029	158,814,887
Closing cash and cash equivalents	**280,731,931**	**202,177,029**

The accompanying notes are an integral part of these financial statements.

The City of Brampton is a municipality in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislation.

1. Significant accounting policies:

The consolidated financial statements of The Corporation of the City of Brampton (the "City") are prepared by management in accordance with generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the City are as follows:

a) Reporting Entity:

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures and fund balances of the reporting entity. The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the City and which are owned or controlled by the City. These financial statements include:

- The City of Brampton Public Library Board
- Brampton Downtown Business Association
- Brampton Theatres Board of Directors
- Brampton Race Relations Action Council

Interdepartmental and inter-organizational transactions and balances between these organizations are eliminated.

b) Non-consolidated entities:

The following Regional Municipality and local boards are not consolidated and should be contacted directly if examination of their annual audited financial statements is desired:

- The Regional Municipality of Peel
- The Peel District School Board
- The Dufferin Peel Catholic District School Board
- Conseil Scolaire de District du Centre-Sud Ouest
- Conseil Scolaire de District Catholique Centre-Sud

c) Accounting for Region and School Board transactions:

The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of The Regional Municipality of Peel and the school boards are not reflected in the municipal fund balances of these financial statements.

d) Fund Accounting:

Funds within the consolidated financial statements consist of current, capital, reserves and reserve funds. Transfers between funds are recorded as adjustments to the appropriate municipal fund balance.

Trust funds and their related operations administered by the City are not included in these financial statements but are reported on separately on the Trust Funds Financial Statements.

Sinking Funds and their related operations are administered by the Region of Peel and as such are not included in these financial statements.

1. Significant accounting policies: (continued):

e) Basis of Accounting:

The City follows the accrual method of accounting. The accrual basis of accounting recognizes re enues, as they become measurable. Expenditures are the cost of goods or services acquired in the period whether or not payment has been made or invoices received.

f) Capital assets:

Expenditures made on capital assets are reported as capital expenditures on the statement of financial activities in the period incurred.

g) Reserves and reserve funds:

Certain amounts, as approved by City Council, are set aside in reserves and reserve funds for future operating and capital purposes. Transfers to and/or from reserves and reserve funds are an adjustment to the respective fund when approved.

h) Government transfers:

Government transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

i) Deferred revenue - General:

Deferred revenues represent user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

j) Deferred Revenue - Obligatory Reserve Funds:

The City receives development charge contributions under the authority of the Provincial Legislation and City By-Laws. These funds by their nature are restricted in their use and until applied to applicable capital works are recorded as deferred revenue. Amounts applied to qualifying capital projects are recorded as revenue in the fiscal period they are expended.

k) Taxation and related revenues:

Property tax billings are prepared by the City based on assessment rolls issued by the Municipal Property Assessment Corporation ("MPAC"). Tax rates are established annually by City Council, incorporating amounts to be raised for local services, the requisition made by the Region of Peel in respect of Regional services and amounts the City is required to collect on behalf of the Province of Ontario in respect of education taxes. A normal part of the assessment process is the issue of supplementary assessment rolls, which provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the City determines the taxes applicable and renders supplementary tax billings. Taxation revenues are recorded at the time tax billings are issued. Assessments and the related property taxes are subject to appeal. Tax adjustments as a result of appeals are recorded when the results of the appeal process are known.

The City is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.

1. Significant accounting policies: (continued):

l) Investment Income:

Investment income earned on available current funds, capital funds, reserves and reserve funds (other than obligatory funds) are reported as revenue in the period earned. Investment income earned on development charges and parkland obligatory reserve funds is added to the fund balance and forms part of respective deferred revenue balances.

m) Pensions and Employee Benefits:

The City accounts for its participation in the Ontario Municipal Employee Retirement Fund (OMERS), a multi-employer public sector pension fund, as defined contribution plan. Vacation entitlements are accrued for as entitlements are earned. Sick leave benefits are accrued where they are vested and subject to pay out when an employee leaves the City's employment.

Other post-employment benefits and compensated absences are accrued in accordance with the projected benefit method prorated on service and management's best estimate of salary escalation and retirement ages of employees. Actuarial valuations, where necessary for accounting purposes, are performed triennially. The discount rate used to determine the accrued benefit obligation was determined by reference to market interest rates at the measurement date on high-quality debt instruments with cash flows that match the timing and amount of expected benefit payments. Unamortized actuarial gains or losses are amortized on a straight-line basis over the expected average remaining service life of the related employee groups. Unamortized actuarial gains / losses for event-triggered liabilities, such as those determined as claims related to WSIB are amortized over the average expected period during which the benefits will be paid.

Costs related to prior period employee services arising out of plan amendments are recognized in the period in which the plan is amended.

Where applicable, the City has set aside Reserve Funds intended to fund these obligations, either in full or in part. These Reserve Funds were created under municipal by-law and do not meet the definition of a plan asset under CICA PS 3250 Retirement Benefits. Therefore, for the purposes of these financial statements, the plans are considered unfunded.

n) Budget Figures:

Brampton City Council completes separate budget reviews for its operating and capital budgets each year. The approved operating budget for 2004 is reflected on the Consolidated Schedule of Current Fund Operations and is included in budget figures shown in Consolidated Statement of Financial Activities.

Budgets established for the Capital Fund are set on a project-oriented basis, the costs of which may be carried out over one or more fiscal years. The budget reflected in the Consolidated Schedule of Capital Fund Operations and included in the budget figures shown in the Consolidated Statement of Financial Activities is an annual projected spending budget only. During 2004, Council approved transfers totaling $75,667,914 (2003 - $83,574,612) from reserve funds for capital projects.

o) Use of Estimates:

The preparation of financial statements requires management to make estimates and assumptions. This affects the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the period. Actual results could differ from these estimates.

2. Investments:

Included in cash and short-term investments are short-term investments of $216,669,668 (2003 - $123,589,531) with a market value of $218,607,662 (2003 - $124,562,603), at the end of the year.

Long-term investments of $399,015,090 (2003 - $390,186,160) have a market value of $403,299,100 (2003 - $392,377,540), at the end of the year.

3. Tax Revenues:

Property tax billings are prepared by the City based on an assessment roll prepared by the Municipal Property Assessment Corporation ("MPAC"). All assessed property values in the City were reviewed and new values established based on a common valuation date, which was used by the City in computing the property tax bills. However, the property tax revenue and tax receivables of the City are subject to measurement uncertainty as significant numbers of appeals submitted by ratepayers for adjustments to assessment have yet to be heard. A significant allowance has been recorded to provide for possible negative adjustments. Further, changes to assessed value reflecting new construction is included in supplementary assessments prepared by "MPAC". Any billing adjustments made necessary by the determination of such changes will be recognized in the fiscal year they are determined and the effect shared with regional government and school boards as appropriate.

The Province enacted legislation, the Fairness for Property Taxpayers Act, 1998 (Bill 79) in December 1998. The effect of this legislation, together with regulations issued subsequent to its enactment, was to cause the adjustment of certain property tax bills issued by the municipality to its commercial, industrial and multi-residential ratepayers. Any necessary adjustments were reflected on the billings for the affected ratepayers. The adjustments caused by this legislation may also impact interest and penalties the municipality can collect on arrears of taxes where it is subsequently determined that such amounts have been overstated.

The capping provisions of Bill 79 expired at the end of 2000. The Province of Ontario subsequently enacted Bill 140 "Continued Protection for Property Taxpayers" which extends the capping provisions of Bill 79. This legislation limited assessment-related increases in property tax bills to 5 per cent annually for commercial, industrial and multi-residential classes of property until the affected properties are taxed at a level equivalent to the tax otherwise calculated based on their current value assessment. Effective for the 2005 tax year, Bill 83 "Budget Measures Act" raises the upper limit of assessment-related increases in property tax bills from the 5 per cent maximum in Bill 79 and Bill 140 to 10 per cent annually for commercial, industrial and multi-residential property classes.

4. (a) Deferred revenue – General:

Deferred Revenue – General is comprised primarily of program registration fees for Parks & Recreation programs and Transit Advertising revenues applicable for the following year. As at December 31, 2004 the deferred revenue – general amounted to $1,968,149 (2003- $1,686,878).

4. (b) Deferred revenue – Obligatory Reserve Funds:

A requirement of the public sector accounting principles of the Canadian Institute of Chartered Accountants is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as provincial legislation restricts how these funds may be used and under certain circumstances these funds may possibly be refunded. The balances in the obligatory reserve funds of the City are summarized below:

	2004 $	2003 $
Development charges	166,631,498	148,155,236
Parkland	29,575,092	9,956,355
Gasoline Tax – Province	758,305	–
Total	**196,964,895**	**158,111,591**

5. Employee benefits and other liabilities:

The City provides certain employee benefits, which will require funding in future periods. Under the sick-leave benefit plan, unused sick leave can accumulate and employees may become entitled to cash payment when they leave the City's employment. With respect to responsibilities under provisions of the Workplace Safety and Insurance Board Act the City has elected to be treated as a Schedule 2 employer and remits payments to the WSIB as required to fund disability payments. An actuarial estimate of future liabilities has been completed and forms the basis for the estimated liability reported in these financial statements.

Employee benefits and other liabilities included in the financial statements are summarized below:

	2004 $	2003 $
WSIB	2,754,606	2,358,437
Accumulated Sick Leave Benefit Plan entitlements	4,611,855	4,072,915
Vacation Pay	4,859,988	4,164,261
Other Liabilities	3,425,656	3,197,675
Subtotal	**15,652,105**	**13,793,288**
Less: Recoverable from reserves and reserve funds on hand	**8,017,684**	**6,801,887**
Amount to be funded from future revenue	**7,634,421**	**6,991,401**

5. Employee benefits and other liabilities: (continued):

Actuarial valuations: The following table sets out the actuarial results for each of the plans as at December 31, 2004.

Item	Non-Pension Post Employment benefits	Vested sick leave benefits	Workers' compensation	2004 Total $
Accrued Benefit obligation (ABO), beginning of year	$ 948,300	$ 4,072,915	$ 2,358,437	$ 7,379,652
Add: Current service costs	–	288,044	790,729	1,078,773
Less: Current Benefit Payments	221,400	–	567,337	788,737
Add: Interest Cost	50,256	250,896	172,777	473,929
Expected Accrued Benefit Obligation (ABO) - end of the year	**$ 777,156**	**$ 4,611,855**	**$ 2,754,606**	**$ 8,143,617**
Unamortized actuarial (gain)/loss	5,831,271	2,012,919	173,260	8,017,450
Projected accrued benefit obligation, at the end of the year, as determined by actuarial valuation	$ 6,608,427	$ 6,624,774	$ 2,927,866	$ 16,161,067

As recommended by PSAB, the projected benefit method pro-rated on service has been adopted to attribute the cost of non-pension post employment benefits to the periods of employee service.

6. Pension Agreements:

The Municipality makes contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multi employer plan, on behalf of all permanent, full-time members of its staff. The plan is a defined benefit plan, which specifies the amount of the retirement benefit to be received by the employees, based on the length of service and rates of pay.

The amount contributed to OMERS for 2004 was $6,336,625 (2003 - $1,797,000) for current service and is included as an expenditure on the *"Consolidated Statement of Financial Activities"*.

7. Municipal fund balances at the end of the year:

Municipal fund balances at the end of the year reported on the "Consolidated Statement of Financial Position" are comprised of the following:

	2004 $	2003 $
Current Fund	**574,322**	**344,827**
Unexpended capital financing (or capital operations not yet permanently financed) is comprised of:		
Capital expenditures to be recovered through Taxation or user charges	-	(3,918)
Capital expenditures to be recovered through reserve funds	(62,520)	(62,520)
Capital expenditures to be recovered from donations, Provincial subsidy and developer deposits	(2,939,973)	(399,586)
Funds available for the completion of capital projects	237,904,562	185,095,034
Capital	**234,902,069**	**184,629,010**
Reserves	**2,118,676**	**1,847,100**
Reserve Funds	**270,237,990**	**284,773,412**
Total Municipal Fund Balances	**507,833,057**	**471,594,349**

8. Expenditures by Object:

The following is a summary of the current and capital expenditures reported on the Consolidated Statement of Financial Activities by object:

	2004 $	2003 $
Salaries, wages and fringe benefits	141,793,706	122,161,649
Interest on net long-term debt charges	–	34,320
Materials and supplies	27,464,510	29,706,807
Contracted services	29,859,127	27,284,339
Rents and financial expenses	6,109,210	5,821,471
Transfer payments	875,700	605,700
Total Current Expenditures	**206,102,253**	**185,614,286**
Salaries, wages and fringe benefits	2,261,950	2,040,317
Materials and supplies	36,502,843	32,083,786
Contracted services	67,918,500	42,223,881
Total Capital Expenditures	**106,683,293**	**76,347,984**

9. Trust funds:

Trust funds administered by the City amounted to $7,200,915 (2003 - $6,427,102) are presented in a separate financial statement of trust fund balances and operations. As such balances are held in trust by the City for the benefit of others, they are not presented as part of the City's financial position or financial activities.

10. Public liability insurance:

The City is self-insured for public liability claims up to $25,000 with the exception for Transit which is up to $10,000 (2003 - $25,000 (Transit - $10,000)) for any number of claims arising out of a single occurrence. Outside coverage is in place for claims in excess of these limits.

The City has created a reserve fund for self-insurance which as at December 31, 2004 amounted to $687,093 (2003 - $405,360) and is reported on the *"Consolidated Statement of Financial Position"*.

Claims settled during the year amounting to $1,131,065 (2003 - $1,392,405) have been provided for from the reserve fund, and are accordingly reported as an expenditure on the "Consolidated Statement of Financial Activities".

11. Brampton Centre for Sports and Entertainment:

In 1998, the City advanced $6,000,000 towards the construction of the Brampton Centre for Sports and Entertainment (BCSE). This amount, defined as the "City Loan", has been reported as part of the "Other Assets" on the Consolidated Statement of Financial Position and is secured by a second mortgage with a due date of August 31, 2034. In addition, the City has guaranteed a first mortgage with a due date of January 1, 2019 with an outstanding principal balance of $12,668,874 as at December 31, 2004 (2003 - $13,220,828), which is defined as the "Project Loan".

The City has further agreed to fund any deficiencies of operating cash-flow under the "Project Loan" over 20 years as "Priority Advances" up to an annual maximum of $600,000 per year until $6,000,000 is reached, thereafter, at $300,000 per year. Should there continue to be cash-flow deficiencies after the operator, Real-Star, has contributed 50% of its annual management fees under the Complex Management Agreement with BSCE, the City is also liable for one-half of the remaining cash flow deficiencies. Under these agreements, $1,984,110 (2003 - $1,984,110) has been advanced to December 31, 2004.

12. Provincial Offences Administration:

Effective June 28, 1999 the City of Brampton assumed the responsibilities of the Provincial Offences Act (POA) from the Ministry of the Attorney General.

The POA is a procedural law for administering and prosecuting provincial offences, including those committed under the Highway Traffic Act, Compulsory Automobile Insurance Act, Trespass to Property Act, Liquor Licence Act, Municipal By-laws and minor federal offences.

The revenues of the combined operations of the Court House and City Hall and revenues collected on behalf of the City at other POA court sites in the Province of Ontario consist of fines levied under Parts I and III for POA charges and amounted to $5,029,393 for the year ended December 31, 2004; (2003 - $4,674,744).

The operating costs for the administration of the Provincial Offences Act for year ending December 31, 2004 amount to $ 3,981,101 (2003 - $3,376,162), resulting in a net contribution of $1,048,292 (2003 - $1,298,582) exclusive of capital costs.

The City of Brampton constructed POA Court-Hearing Facility, a permanent facility to accommodate the POA court operation (including courtrooms and accessory uses, an administration office and related requirements, on-site office space for prosecutors, a police bureau and accessory uses) and hearing rooms, which can be used for Ontario Municipal Board and Assessment Review Board hearings on a regular basis. The POA Court-Hearing Facility became operational in August 2004. The total cost of design and construction including acquisition of land will amount to $10.7 million. Funding for the POA Court-Hearing Facility has been provided from tax-based reserves.

13. Grant to The Sheridan College Institute of Technology and Applied Learning:

On February 10, 2003, with the approval of the 2003 Current and Capital Budgets, City Council authorized a payment schedule supporting five equal payments of $500,000 per year for five years to The Sheridan College of Institute of Technology and Applied Learning. These funds are contribution towards Sheridan for the development of a new center of Advanced Manufacturing and Design at their Brampton "Davis" Campus. In addition, Council authorized that the financial donation was a one-time commitment only. Agreement has been negotiated with Sheridan in form of a Memorandum of Understanding depicting the completion of criteria that needs to be satisfied each year before the annual installments of grants is released.

CONSOLIDATED SCHEDULE OF CURRENT FUND OPERATIONS
for the year ended December 31, 2004

	2004 Budget $ (unaudited) (Note 1(n))	2004 Actual $	2003 Actual $
REVENUES			
Property taxation	149,627,422	154,368,978	135,113,320
Taxation from other governments	949,000	1,488,556	907,209
User charges	61,333,708	70,850,665	64,739,765
Government grants	567,946	599,736	641,507
Investment income	5,157,000	5,690,152	5,304,846
Penalties, Fines and Interest	12,988,368	12,428,773	12,647,852
Other	667,861	1,115,648	869,413
Total Revenues	**231,291,305**	**246,542,508**	**220,223,912**
EXPENDITURES			
General government	19,863,488	8,309,049	8,614,364
Protection to persons and property	47,917,146	46,375,329	41,055,844
Transportation services	66,650,886	62,858,050	56,796,058
Environmental services	1,700,652	1,700,652	1,918,106
Health services (cemeteries)	451,568	451,568	387,298
Social and family services	373,546	295,519	285,182
Recreation and cultural services	65,149,227	63,929,267	57,801,510
Planning and development	22,159,818	22,008,945	19,113,673
Total Expenditures	**224,266,331**	**205,928,379**	**185,972,025**
NET REVENUE		**40,614,129**	**34,251,887**
FINANCING AND TRANSFERS			
Debt principal repayments		–	(362,599)
Employee benefits and other liabilities		1,858,817	755,276
Transfers to reserves and reserve funds		(37,787,915)	(24,539,429)
Transfers to Capital fund		(4,455,536)	(9,988,047)
Net Financing and Transfers		**(40,384,634)**	**(34,134,799)**
CHANGE IN CURRENT FUND BALANCE		**229,495**	**117,088**
Opening Current Fund Balance		344,827	227,739
CLOSING CURRENT FUND BALANCE		**574,322**	**344,827**

CONSOLIDATED SCHEDULE OF CAPITAL FUND OPERATIONS
for the year ended December 31, 2004

	2004 Budget $ (unaudited) (Note 1(n))	2004 Actual $	2003 Actual $
REVENUES			
Grants:			
Government of Canada	–	–	68,736
Province of Ontario	2,731,000	5,384,301	1,966,490
Donations	–	(9,241)	112,311
Total Grants	**2,731,000**	**5,375,060**	**2,147,537**
Investment Income	–	197,665	542,776
Development levies	53,280,445	71,260,177	62,048,511
Total Revenues	**56,011,445**	**76,832,902**	**64,738,824**
EXPENDITURES			
General Government	14,512,803	11,838,172	9,814,194
Protection to persons and property	3,801,414	10,789,066	6,892,678
Transportation services	39,743,191	42,005,651	33,851,318
Environmental Services (Storm Water Mngmt)	–	176,490	–
Health Services (cemeteries)	–	62,470	33,118
Recreation and cultural services	23,380,876	41,518,080	25,300,156
Planning and development	308,725	293,364	456,520
Total Expenditures	**81,747,009**	**106,683,293**	**76,347,984**
NET REVENUES/(EXPENDITURES)		**(29,850,391)**	**(11,609,160)**
FINANCING AND TRANSFERS			
Transfers from Revenue Fund		4,455,536	9,988,047
Transfers from Reserve Funds		75,667,914	83,574,612
Net transfers		**80,123,450**	**93,562,659**
CHANGE IN CAPITAL FUND BALANCE		**50,273,059**	**81,953,499**
Opening Capital Fund Balance		184,629,010	102,675,511
CLOSING CAPITAL FUND BALANCE		**234,902,069**	**184,629,010**

CONSOLIDATED SCHEDULE OF RESERVE AND RESERVE FUNDS
for the year ended December 31, 2004

	2004 Actual $	2003 Actual $
REVENUES		
Investment income	23,616,153	24,006,341
TOTAL REVENUE	**23,616,153**	**24,006,341**
NET TRANSFER FROM / (TO) OTHER FUNDS		
Transfers from / (to) current fund	37,787,915	24,539,429
Transfers from / (to) capital fund	(75,667,914)	(83,574,612)
Total Net Transfer	**(37,879,999)**	**(59,035,183)**
CHANGE IN RESERVES AND RESERVE FUND BALANCE	**(14,263,846)**	**(35,028,842)**
Opening Reserves and Reserve Fund Balance	286,620,512	321,649,354
CLOSING RESERVES AND RESERVE FUND BALANCE	**272,356,66**	**286,620,512**
Analyzed as follows:		
Reserves set aside for specific purposes by Council:		
Library board contingencies	395,465	123,889
Sick Leave	118,211	118,211
Working Capital	1,575,000	1,575,000
Downtown Improvement	30,000	30,000
Total Reserves	**2,118,676**	**1,847,100**
Reserves Funds set aside for specific purposes by Council:		
Lot Levies	1,915,819	1,837,606
Replacement of equipment	–	4,458,441
Recreation facilities repairs and renovations	119,875	206,170
Acquisition or replacement of assets	22,601,385	16,428,892
Conversion of employee sick leave credit plan	5,177,013	4,964,461
Self insurance	687,093	405,360
OMEX retros	257,636	247,056
Corporate properties	1,883,335	946,415
Firefighters' 27th bi-weekly pay date (2008)	432,118	414,373
Rate stabilization	65,179,604	38,948,813
Building & By-Law stabilization	–	13,083,584
Employee benefit rate stabilization	3,894,163	2,780,718
OMERS rate stabilization	–	3,130,306
Workers' compensation	5,975,490	5,662,438
Community Investment/Community Dividend/Legacy	160,489,378	186,901,343
Other purposes	1,625,081	4,357,436
Total Reserve funds	**270,237,990**	**284,773,412**
TOTAL RESERVE AND RESERVE FUNDS	**272,356,666**	**286,620,512**

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AUDITORS' REPORT

To the Members of Council, Inhabitants and
Ratepayers of The Corporation of The City of Brampton

We have audited the statement of financial position of The Corporation of The City of Brampton Trust Funds as at December 31, 2004 and the statement of financial activities and changes in fund balances for the year then ended. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Trust Funds as at December 31, 2004 and the results of their operations and their cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants

Toronto, Canada

March 16, 2005

KPMG LLP, a Canadian limited liability partnership is the Canadian member firm of KPMG International, a Swiss cooperative.

TRUST FUNDS – Statement of Financial Position
December 31, 2004, with comparative figures for 2003

	Cemeteries Care and Maintenance Trust Funds $	Developers' Performance Deposits Trust $	Home Renewal Program $	Developer Front End Financing Trust Fund $	BMB, GTA and GTMA Trust Funds $	2004 Total $	2003 Total $
Financial Assets and Liabilities							
Assets							
Cash	222,781	6,257,885	87	1,425,549	33,043	7,939,345	6,317,642
Accounts receivable	1,096	19,595	–	3,027	70	23,788	437,724
Subtotal	**223,877**	**6,277,480**	**87**	**1,428,576**	**33,113**	**7,963,133**	**6,755,366**
Investments, at cost (market - $487,301; 2003 - $487,058):							
Federal	24,646	–	–	–	–	24,646	24,646
Canada Bonds - corporate	24,767	42,000	–	–	–	66,767	66,767
Provincial Bonds	47,795	–	–	–	–	47,795	72,680
Short-term investments	329,819	–	–	–	–	329,819	252,615
Municipal Bonds	49,875	–	–	–	–	49,875	99,722
Subtotal	**476,902**	**42,000**	**–**	**–**	**–**	**518,902**	**516,430**
Long-term receivables	–	–	–	–	–	–	1,236
Total Assets	**700,779**	**6,319,480**	**87**	**1,428,576**	**33,113**	**8,482,035**	**7,273,032**
Liabilities							
Accounts payable	–	4,152	–	123,711	–	127,863	390
Due to City Revenue Fund	946	41,645	87	1,100,000	10,579	1,153,257	845,540
Total Liabilities	**946**	**45,797**	**87**	**1,223,711**	**10,579**	**1,281,120**	**845,930**
Net financial resources	699,833	6,273,683	–	204,865	22,534	7,200,915	6,427,102
Fund balances	**699,833**	**6,273,683**	**–**	**204,865**	**22,534**	**7,200,915**	**6,427,102**

See accompanying notes to financial statements.

TRUST FUNDS – Statement of Financial Activities and Changes in Fund Balances
Year ended December 31, 2004, with comparative figures for 2003

	Cemeteries Care and Maintenance Trust Funds $	Developers' Performance Deposits Trust $	Home Renewal Program $	Developer Front End Financing Trust Fund $	BMB, GTA and GTMA Trust Funds $	2004 Total $	2003 Total $
Revenue							
Monuments and markers deposits	3,000	–	–	–	–	3,000	4,600
Perpetual Care deposits	26,328	–	–	–	–	26,328	35,767
Other deposits - Trusts	753	–	–	–	–	753	–
Gain on sale of investments	2,472	–	–	–	–	2,472	2,848
Performance deposits received	–	3,323,433	–	–	–	3,323,433	1,961,003
Contributions from Front End Financing	–	–	–	56,723	–	56,723	326,255
Deposit-Base Gun Club	–	–	–	142,975	–	142,975	–
Marketing initiatives	–	–	–	–	15,750	15,750	45,500
Subtotal	**32,553**	**3,323,433**	**–**	**199,698**	**15,750**	**3,571,434**	**2,375,973**
Interest income	21,926	125,079	53	22,828	707	170,593	169,304
Total Revenues	**54,479**	**3,448,512**	**53**	**222,526**	**16,457**	**3,742,027**	**2,545,277**
Expenditures							
Transfers to City Revenue Fund:							
Maintenance contribution	21,926	–	–	–	–	21,926	26,135
Interest transfer	–	125,079	–	–	–	125,079	131,512
Administration charges	–	–	87	–	–	87	29
Subtotal	**21,926**	**125,079**	**87**	**–**	**–**	**147,092**	**157,676**
Marketing initiatives	–	–	–	–	13,255	13,255	37,580
Return of performance deposits	–	1,636,337	–	–	–	1,636,337	1,367,729
Payments on behalf of developers	–	70,328	–	1,100,000	–	1,170,328	24,938
Provincial payments	–	–	1,202	–	–	1,202	389
Total Expenditures	**21,926**	**1,831,744**	**1,289**	**1,100,000**	**13,255**	**2,968,214**	**1,588,312**
Increase (decrease) in net financial resources	32,553	1,616,768	(1,236)	(877,474)	3,202	773,813	956,965
Fund balances, beginning of year	667,280	4,656,915	1,236	1,082,339	19,332	6,427,102	5,470,137
Fund balances, end of year	**699,833**	**6,273,683**	**–**	**204,865**	**22,534**	**7,200,915**	**6,427,102**

See accompanying notes to financial statements.

1. Significant accounting policies:

Revenue recognition:

(a) Receipts, other than interest and letters of credit receipts, are reported on receipt. Interest income and letters of credit receipts are recorded on the accrual basis of accounting.

(b) Returns of performance deposits are reported in the periods in which they are paid either directly by the Trust Funds or through The City of Brampton (the "City") funds. All expenditures are reported on the accrual basis of accounting.

The accrual basis of accounting recognizes expenditures as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(c) Investments, including any term deposits not available on demand, are reported at the lower of cost and market value.

2. Cemeteries Care and Maintenance Trust Funds:

The City maintains several cemeteries, including the following which have Care and Maintenance Trust Funds which the City administers: Brampton, Page, Hilltop Gore, Shiloh, Alloa, Grahamsville, Zion, Mt. Olivet, St. John - Castlemore, St. John - Snelgrove and St. Mary - Tullamore. Interest income attributable to each of the individual Trust Funds that is received during any particular year is transferred to the City Revenue Fund in that year to partially offset the maintenance cost for each cemetery to which the individual Trust Funds relate. The operations and investments of the fund are undertaken by the City in accordance with the regulation of the "Cemeteries Act (Revised)."

3. Developers' Performance Deposits Trust:

The Developers' Performance Deposits Trust was established for the following purposes:

(a) To hold performance deposits made by individual parties to the City as assurance that specific obligations agreed upon are fulfilled. Once fulfilled, the deposit held is returned to the respective party.

(b) When a party develops a property in the City, generally a letter of credit is obtained from the party's bank, which provides a guarantee to the City that the contract will be completed as specified. Otherwise, the City is able to draw upon the letter of credit and to deposit the funds in the Trust to be later used to pay a third party to complete the contract.

(c) As amounts are not significant enough to warrant their own trust, municipal election campaign surpluses of registered candidates are held in this Trust. In accordance with the Municipal Election Law Section 132(a)(i), the surplus should be held in trust until "the next regular election." At December 31, 2004, $3,252 campaign surpluses are held in this Trust (2003 - nil).

4. Ontario Home Renewal Program ("O.H.R.P."):

The O.H.R.P. was established by the Ontario Ministry of Housing in 1973 to provide grants for municipalities to make loans to assist owner occupants to repair, rehabilitate and improve their home to local property standards. Individual loans are limited to $7,500, of which the maximum forgivable portion is $4,000.

During 1994, the City returned the balance of funds at December 31, 1993 in the O.H.R.P. trust account to the Province of Ontario in accordance with the amendment made to the Housing Development Act. As of July 1993, municipalities are no longer able to issue further O.H.R.P. loans. The City will retain interest earned on trust account balances and will receive an administration fee on the collection of loans receivable.

Loans receivable collected in each subsequent year are to be remitted within two months of the year end.

At December 31, 2004, there are no O.H.R.P. loans receivable (2003 - $1,236) held in this Trust. Loan forgiveness is earned and recorded at a rate of up to $600 per year of continued ownership and occupancy. In the event of the sale or lease of the home or in the event of the homeowner ceasing to occupy the home, the balances of the repayable loan and the unearned forgivable loan immediately become due and payable by the homeowner.

5. Developer Front End Financing Trust Fund:

The Front End Financing Trust Fund was established in 1993 to receive contributions from developers for studies and construction of services which not only benefit their particular development, but will also ultimately benefit other future development. The Front End Developers provide the initial financing in lieu of the City for the required studies and capital works and enter into agreements with the City to recover the costs associated with other benefiting landowners on a best effort basis.

6. Brampton Marketing Board, Greater Toronto Area and Greater Toronto Marketing Alliance:

The Brampton Marketing Board (the "BMB"), the Greater Toronto Area (the "GTA") and the Greater Toronto Marketing Alliance (the "GTMA") Trust Funds were established to hold contributions made from the development and business community. The Trust Funds were formed as partnerships between the BMB, the GTA and the GTMA. Their mandate is to attain corporate and municipal sponsorship of marketing initiatives for the City, the GTA and the GTMA.

FIVE YEAR REVIEW SUMMARY

(Not subject to audit; all dollar amounts are in thousands except per capita figures.)
(See accompanying notes and schedules to financial statements.)

	2004	2003	2002	2001	2000
NON-FINANCIAL YEAR-END STATISTICS					
Population	400,965	372,000	352,986	336,265	316,958
Households	119,325	111,357	102,573	96,609	92,770
Areas in hectares	27,138	27,138	27,138	27,138	27,138
Full-time employees	1,706	1,564	1,517	1,359	1,248
Housing Starts	9,477	6,670	6,367	4,861	5,145
Building Permit Values	$2,730,395	$1,791,423	$1,418,062	$1,044,149	$1,125,162
TAXABLE ASSESSMENT UPON WHICH TAX RATES WERE SET (Note 1)					
Residential and farm	$24,499,699	$21,011,523	$18,005,079	$17,137,575	$13,294,267
Commercial and industrial	7,188,493	5,680,336	4,625,824	4,475,893	4,292,693
Total	**$31,688,192**	**$26,691,859**	**$22,630,903**	**$21,613,468**	**$17,586,960**
Total per capita	79,030	71,752	64,113	64,275	55,487
TAX RATES/MILL RATES (URBAN AREA) - (Note 1)					
Residential and farm					
City purposes	0.418558%	0.436701%	0.449351%	0.439283%	0.46343%
Region purposes	0.482364%	0.519418%	0.586853%	0.576367%	0.66400%
School board purposes	0.296000%	0.335000%	0.373000%	0.373000%	0.41400%
Total	**1.196922%**	**1.291119%**	**1.409204%**	**1.388650%**	**1.54143%**
Commercial					
City purposes	0.542912%	0.566445%	0.582853%	0.569795%	0.61524%
Region purposes	0.625674%	0.673738%	0.761207%	0.747605%	0.88103%
School board purposes	1.737545%	1.825042%	2.075397%	2.075397%	2.46743%
Total	**2.906131%**	**3.065225%**	**3.419457%**	**3.392797%**	**3.96370%**
Industrial					
City purposes	0.615281%	0.641950%	0.718332%	0.702239%	0.77934%
Region purposes	0.709075%	0.763545%	0.938144%	0.921380%	1.11700%
School board purposes	1.984482%	2.151155%	2.668928%	2.678392%	3.11247%
Total	**3.308838%**	**3.556650%**	**4.325404%**	**4.302011%**	**5.00881%**
TAXES RECEIVABLE, END OF THE YEAR					
Amount	$60,811	$43,025	$41,746	$42,096	$60,483
Per capita	$152	$116	$118	$125	$191
Percentage of years' levy	11.31%	8.99%	9.41%	10.16%	15.92%
NET LONG-TERM LIABILITIES, END OF YEAR					
Amount	–	–	$363	$1,718	$3,247
Per Capita	–	–	$1	$5	$10
CHARGES FOR NET LONG-TERM LIABILITIES					
Amount	–	$397	$1,945	$6,111	$4,884
Per capita	–	$1	$6	$18	$15
As a tax rate/mill rate (Note 1)	–	0.001%	0.009%	0.028%	0.028%

FIVE YEAR REVIEW SUMMARY (continued)

(Not subject to audit; all dollar amounts are in thousands except per capita figures.)
(See accompanying notes and schedules to financial statements.)

	2004	2003	2002	2001	2000
LONG-TERM DEBT SUPPORTED BY PROPERTY TAXES					
Gross Long-Term Debt (Note 2)	–	–	–	$10,192	$24,263
Net Long-Term Debt (Note 2)	–	–	–	$1,718	$3,247
LONG-TERM DEBT OF BRAMPTON HYDRO CORP					
Gross Long-Term Debt	–	–	–	–	$20,675
Net Long-Term Debt	–	–	–	–	$3,843
DEBT REPAYMENT LIMIT (as determined by the Province of Ontario)	**$54,466**	**$45,021**	**$35,935**	**$27,133**	**$22,774**
TAXES COLLECTED					
City collection	$155,858	$136,020	$118,060	$108,493	$99,195
Taxes Transferred to the Region	179,482	161,730	156,068	143,968	146,042
Taxes Transferred to the School Boards	204,023	182,840	172,777	164,360	169,153
Total	**$539,363**	**$480,590**	**$446,905**	**$416,821**	**$414,390**
TRUST FUNDS BALANCE - End of year	**$7,201**	**$6,427**	**$5,470**	**$4,982**	**$4,289**
CURRENT FUND OPERATIONS: REVENUES BY SOURCE					
Taxation - City only	$154,369	$135,113	$116,624	$106,805	$97,761
Payment in lieu of taxes	1,489	907	1,437	1,688	1,434
User charges	70,851	64,740	59,452	50,647	51,530
Government grants	600	642	664	603	1,055
Other	19,234	18,822	21,215	81,258	18,385
Total	**$246,543**	**$220,224**	**$199,392**	**$241,001**	**$170,165**
CURRENT EXPENDITURES BY FUNCTION					
General government	$8,309	$8,614	$8,161	$3,914	$795
Protection to persons and property	46,375	41,056	34,791	38,280	33,194
Transportation services	62,858	56,796	48,113	48,861	48,213
Environment services	1,701	1,918	1,784	990	750
Health services (cemeteries)	452	387	384	370	281
Social and family services	296	285	111	131	310
Recreation and cultural services	63,929	57,802	52,753	47,894	42,721
Planning and development	22,009	19,114	15,879	6,963	6,169
Total	**$205,929**	**$185,972**	**$161,976**	**$147,403**	**$132,433**
Financing raised less expenditures	40,614	34,252	37,416	93,598	37,732
Net transfers from (to) other City Funds	(40,385)	(34,135)	(37,321)	(203,323)	71,988
Current Fund Balance - Beginning of year	**$345**	**$228**	**$133**	**$109,858**	**$138**
Current Fund Balance - End of year	**$574**	**$345**	**$228**	**$133**	**$109,858**
CURRENT EXPENDITURES BY OBJECT					
Salaries, wages and employee benefits	$141,794	$122,162	$106,557	$95,748	$83,691
Long term debt payments	–	397	1,945	6,111	4,884
Goods and services	64,308	63,413	53,474	45,544	43,858
Total	**$206,102**	**$185,972**	**$161,976**	**$147,403**	**$132,433**

FIVE YEAR REVIEW SUMMARY

(Not subject to audit; all dollar amounts are in thousands except per capita figures.)
(See accompanying notes and schedules to financial statements.)

	2004	2003	2002	2001	2000
CAPITAL FUND OPERATIONS: REVENUES BY SOURCE					
Financing raised					
Grants	$5,375	$2,147	$1,497	$107	$301
Development levies (Note 3)	71,260	62,049	38,760	32,675	16,613
Other	198	543	53	406	252
Total	**$76,833**	**$64,739**	**$40,310**	**$33,188**	**$17,166**
CAPITAL EXPENDITURES BY FUNCTION					
General government	$11,838	$9,814	$5,938	$4,419	$4,587
Protection to persons and property	10,789	6,893	7,780	3,919	1,055
Transportation services	42,006	33,851	37,438	18,354	12,555
Environmental services (storm water management)	177	–	–	–	–
Health services (cemeteries)	62	33	22	4	–
Recreation and cultural services	41,518	25,300	19,039	16,652	10,196
Planning and development	293	457	197	500	194
Total	**$106,683**	**$76,348**	**$70,414**	**$43,848**	**$28,587**
Financing raised less expenditures	(29,850)	(11,609)	(30,104)	(10,660)	(11,421)
Net transfers from (to) other City funds	80,123	93,562	54,885	30,298	30,049
Capital Fund Balance - Beginning of year	**184,629**	**102,676**	**77,895**	**58,257**	**39,629**
Capital Fund Balance - End of year	**$234,902**	**$184,629**	**$102,676**	**$77,895**	**$58,257**
CAPITAL EXPENDITURES BY OBJECT					
Salaries, wages and fringe benefits	$2,262	$2,040	$797	$201	$62
Materials and supplies	36,503	32,084	35,884	20,977	13,941
Contracted services	67,918	42,224	33,733	22,670	14,584
Total	**$106,683**	**$76,348**	**$70,414**	**$43,848**	**$28,587**
RESERVE AND RESERVE FUND OPERATIONS: REVENUES BY SOURCE					
Contribution from developers(Note 3)	–	–	–	–	–
Investment income	23,616	24,006	24,931	13,256	9,082
Other	–	–	71	57	33
Total	**$23,616**	**$24,006**	**$25,002**	**$13,313**	**$9,115**
Net transfers from (to) other City funds	(37,880)	(59,035)	(19,450)	260,097	4,422
Reserve & Reserve Fund Balance - Beginning of year	**$286,620**	**$321,649**	**$316,097**	**$42,687**	**$29,150**
Reserve & Reserve Fund Balance - End of year	**$272,356**	**$286,620**	**$321,649**	**$316,097**	**$42,687**

Note 1: Taxation related information reflect Current Value Assessment (CVA) effective January 1, 1998.These data may not be comparable to those of prior years.

Note 2: By the order of City Council,the current outstanding long-term debt is to be financed from existing reserve funds.

Note 3: As a result of City adopting recommendations of PSAB (Public Sector Accounting Board) commencing in year 2000, funds previously presented as Reserve Funds have been reported as part of deferred revenue.

Thank You

The Corporation of the City of Brampton exists to serve the citizens of one of Canada's fastest growing, most diverse and economically successful municipalities. Brampton listens to its constituents and benefits from the time, effort and commitment they have devoted in guiding this community's future. The City of Brampton greatly appreciates the dedication of its citizens in helping us reflect their vision of what this great City can become.

Sunset at Professor's Lake

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